



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Scott P. Johnson

**SUBJECT:** SEE BELOW

**DATE:** June 2, 2008

Approved

*Christine J. Shippey*

Date

*6-5-08*

COUNCIL DISTRICT: City-Wide

SNI: NA

**SUBJECT: SET PUBLIC HEARING ON SANITARY AND STORM SEWER  
SERVICE CHARGES TO BE PLACED ON FISCAL YEAR 2008/2009  
COUNTY TAX ROLL**

## RECOMMENDATION

1. Adopt a resolution setting a public hearing on Tuesday, August 5, 2008, at 1:30 p.m. for 2008-2009 Sanitary Sewer Service and Use Charges and Storm Sewer Service Charges based on annual reports of the Director of Finance and direct the City Clerk to publish notice of the time and place of the hearing.
2. Adopt a resolution allowing the Director of Finance to file, with the City Clerk, the 2008-2009 Sanitary Sewer Service and Use Charges on or before the fifteenth of July, 2008.

## OUTCOME

Adoption of the proposed resolution to set an annual public hearing is a necessary step in the annual placement of City sanitary and storm sewer charges on the Santa Clara County Property Tax Roll. Staff has estimated net revenues for 2008-2009 with and without the proposed rate increases that are being proposed for each of these charges. The estimated net revenues without a rate increase would be approximately \$101 million. The estimated net revenues with the proposed rate increases would be approximately \$120 million.

Adoption of the proposed resolution allowing for the filing of the 2008-2009 annual reports on or before the fifteenth of July, 2008, will allow adequate time required to provide the most complete and current listing.

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## **BACKGROUND**

Section 15.12.550 of the San Jose Municipal Code requires the Director of Finance to file a report each year with the City Clerk, on or before the fifth of July, or such other date or dates as the City Council may specify by resolution, regarding Sanitary Sewer Service and Use Charges. We are recommending this filing date be moved out to accommodate the new Integrated Billing System process and to allow staff the required time to provide the most complete and current listing. Section 15.16.1410 of the Code requires the Director of Finance to file a report each year with the City Clerk, at least fifteen days in advance of the date of the last Council meeting before the City is required to provide information to the Tax Collector for placement of Storm Sewer Service Charges on the County tax roll. These annual reports describe each parcel of real property receiving these services and the dollar amount of the charges to be collected on the County of Santa Clara Tax Roll for the coming fiscal year.

In compliance with Proposition 218, public notices of the potential increase in the rates that are used to calculate these charges were mailed to San Jose property owners on April 27, 2007. Proposed 2008-2009 Sanitary Sewer Service and Use Charge and Storm Sewer Service Charge rates are scheduled to be heard by Council on June 17, 2008.

## **ANALYSIS**

Sections 15.12.550 and 15.16.1430 of the San Jose Municipal Code require the City Clerk to publish notice of the time and place for the hearing concerning the filing of the Director's annual report, prior to the date of the hearing.

Once Council adopts sanitary and storm sewer rates for 2008-2009, the Director of Finance will prepare the report using the City Council approved rates from the report to be considered by the Council at the August 5, 2008 public hearing.

The Finance Department requests that the hearing on 2008-2009 Sewer Service and Use Charges and Storm Sewer Service Charges for placement on the County of Santa Clara Property Tax Roll be set for Tuesday, August 5, 2008, at 1:30 p.m. in the City Council Chambers. The final report on these charges is due to the County Tax Collector no later than August 11, 2008, to ensure placement on the tax roll.

## **EVALUATION AND FOLLOW-UP**

The Finance Department will need to issue a memo to Council in July 2008, recommending that the public hearing be held on August 5, 2008, and the Council approve placement of the recommended Sewer Service and Use Charges and Storm Sewer Service Charges on the 2008-2009 tax roll, with such modifications as Council may make based on public hearing testimony.

## **POLICY ALTERNATIVES**

Not applicable.

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**PUBLIC OUTREACH/INTEREST**

- ☐ **Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- ☐ **Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- ☐ **Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

After the adoption of this resolution, the City Clerk's Office will publish a notice of the time and place of the public hearing as required by San Jose Municipal Code Sections 15.12.550C and 15.16.1430A. The Public Hearing date is scheduled for August 5, 2008 at 1:30 pm; pursuant to the actions recommended in this staff report. In addition, this memorandum is posted on the City's website for the June 24, 2008 Council meeting.

**COORDINATION**

This memo has been coordinated with the City Manager's Budget Office, the Environmental Services Department, the City Attorney's Office and the City Clerk's Office.

**CEQA**

Not a project.

  
SCOTT P. JOHNSON  
Director, Finance Department

For questions, please contact Scott P. Johnson, Finance Director, at (408) 535-7000.



